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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON JANUARY 26, 2012

Commission Chairman John D. Quackenbush called the meeting to order at 1:32 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

Staff: Margaret Wallin
Judy Palnau
Mary Jo Kunkle
Sharron Allen
Catherine Bowers
Robert Nichols
Paul Proudfoot
Cheryl Rojas
Cathy Cole
Lisa Felice
Mignon Middlebrook

Public: Graham Davis, Truscott Rossman
Beverly Roberts, Consumers Energy
Suzy Westmoreland, MEGA
Mark McConnell
Tim Hoffman, Consumers Energy
Kwafo Adarkwa, ITC Holdings
Emily Lawler, MIRS

I. Commissioner Isiogu moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The agenda was approved.

II. Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of January 12, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-10054 BLANCHARD TELEPHONE ASSOCIATION, INC.
(license surrender)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a request to surrender a license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-13713 CORDIA COMMUNICATIONS CORPORATION
(license surrender)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a request to surrender a license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16501 AT&T
(fee dispute)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a complaint filed by AT&T Michigan against B&S Telecom, Inc., Quick Communications, Inc., and Bruce Yuille. The order before you denies the respondents' motions and directs AT&T Michigan to re-file its bill of costs, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16760 US XCHANGE OF MICHIGAN, L.L.C., d/b/a ONE
COMMUNICATIONS, AND AT&T MICHIGAN
(interconnection agreement and amendment)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a request for Commission approval of interconnection agreement amendments. The order before you approves the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16847 ALLENDALE TELEPHONE COMPANY v TDS METROCOM,
LLC

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a request to dismiss the complaint with prejudice. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16899 ALPHA CONNECT, LLC
(permanent license)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves a request for a license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-16959 COMMISSION'S OWN MOTION
(universal service fund subsidies)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which is a matter on the Commission's own motion to solicit comments on certain changes to the rules and processes involved in designating communications carriers as eligible telecommunications carriers for the purpose of receiving universal service funds that arise from the Federal Communications Commission's Order No. 11-161. The order before you establishes a period during which the Commission will receive comments on the issues listed in the order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

B. ELECTRIC

1. U-15805 CONSUMERS ENERGY COMPANY
(Act 295 contract approval)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which is an application by Consumers Energy Company for *ex parte* approval of six renewable energy purchase agreements between Consumers Energy Company and Heritage Garden Wind Farm I LLC and Heritage Stoney Corners Wind Farm II LLC. The order before you approves the agreements as in compliance with Act 295 of 2008, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-15805 CONSUMERS ENERGY COMPANY
(RE contract amendment)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which is an application by Consumers Energy Company for *ex parte* approval of an amendment to the contract between the company and Blissfield Wind Energy, LLC.

The order before you approves the amendment as in compliance with Act 295 of 2008, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16361 WISCONSIN PUBLIC SERVICE CORPORATION
(REP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Wisconsin Public Service Corporation for authority to reconcile its renewable energy plan costs and revenues for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16594 MIDWEST ENERGY COOPERATIVE
(amended REP plan approval)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Midwest Energy Cooperative for *ex parte* approval of its amended renewable energy plan. The order before you approves the amended renewable energy plan as in compliance with the requirements of Act 295 of 2008, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16813 THE DETROIT EDISON COMPANY
(CIS reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by The Detroit Edison Company for approval of its reconciliation of its choice implementation surcharge. The order before you approves a

settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16880 ALPENA POWER COMPANY
(application)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Alpena Power Company for authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-16893 PRESQUE ISLE ELECTRIC & GAS CO-OP
(2012 PSCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Presque Isle Electric & Gas Co-op for authority to implement its power supply cost recovery plan for the 12-month period ending December 31, 2012. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

8. U-16944 GREAT LAKES ENERGY COOPERATIVE
(member regulation)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves the election of the Board of Directors of Great Lakes Energy Cooperative to become member-regulated. The order before you directs the cooperative to

make certain filings and to commence a dialogue with the Commission Staff, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

9. U-16960 THE DETROIT EDISON COMPANY
(LIEEF refund)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves the Commission's own motion regarding procedures for refunding amounts collected by The Detroit Edison Company for the Low-Income and Energy Efficiency Fund. The order directs the utility to file a comprehensive plan for refunding such escrowed amounts consistent with PA 276 of 2011 by March 1, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

10. U-16962 CONSUMERS ENERGY COMPANY
(LIEEF refund)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves the Commission's own motion regarding procedures for refunding retail rates collected by the Consumers Energy Company for the Low-Income and Energy Efficiency Fund. The order directs the utility to file a comprehensive plan for refunding amounts to its electric customers consistent with PA 276 of 2011 by March 1, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

11. MINUTE ACTION MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.
(FERC Doc. No. ER12-668-000)

Commissioner Isiogu moved that the Commission adopt and issue minute dated January 26, 2012 confirming that the Public Service Division of the Attorney General's office has intervened on behalf of the Michigan Public Service Commission before the Federal Energy Regulatory Commission in Docket Number ER12-668-000, an application by Midwest Independent Transmission System Operator, Inc. to implement its ELMP (Extended Locational Marginal Prices) methodology for calculating market prices, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White

Nays – None

The minute was adopted.

C. GAS

1. U-16481 MICHIGAN GAS UTILITIES CORPORATION
U-16513 MICHIGAN GAS UTILITIES CORPORATION
(GCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Michigan Gas Utilities Corporation for approval of a gas cost recovery plan and factors for the 12-month period ending March 31, 2012. Case No. U-16513 involves an application for approval of a reservation charge. The order before you approves the plan, factors, and reservation charge, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White

Nays – None

The order was adopted.

2. U-16878 VECTREN RETAIL LLC d/b/a VECTREN SOURCE
(withdrawal of application for AGS license)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves an application by Vectren Retail LLC d/b/a Vectren Source for a license as an alternative gas supplier. The order before you dismisses the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White

Nays – None

The order was adopted.

3. U-16961 MICHIGAN CONSOLIDATED GAS COMPANY
(LIEEF refund)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves the Commission's own motion regarding procedures for refunding retail rates collected by Michigan Consolidated Gas Company for the Low-Income and Energy Efficiency Fund. The order directs the utility to file a comprehensive plan for refunding amounts consistent with PA 276 of 2011 by March 1, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16963 CONSUMERS ENERGY COMPANY
(LIEEF refund)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which involves the Commission's own motion regarding procedures for refunding retail rates collected by Consumers Energy Company for the Low-Income and Energy Efficiency Fund. The order directs the company to file a comprehensive plan for refunding amounts to its natural gas customers consistent with PA 276 of 2011 by March 1, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

D. MOTOR CARRIER

1. T-1865 COMMISSION'S OWN MOTION
(temporary authority for motor carriers)

Commissioner Isiogu moved that the Commission adopt and issue order dated January 26, 2012 which is a matter commenced on the Commission's own motion regarding temporary operating authority

for certain motor carriers. The order before you grants temporary operating authority to motor carriers who held certificates of authority for 2011 and have applied for 2012 certificates of authority, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

Mr. Mark McConnell, Bloomfield Hills addressed his concerns regarding his geothermal investment and the summer electric rate compared to the winter electric rate. Chairman Quackenbush referred him to MPSC staff that could assist him.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on February 15, 2012.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 1:53 p.m.

Mary Jo Kunkle
Executive Secretary